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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

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25X1A

COUNTRY Austria/Yugoslavia/USR

DATE DISTR. 18 July 1949

SUBJECT Purchases Made by Yugoslav Purchasing
Commission in Vienna

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SUPPLEMENT TO
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SOURCE

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1. During the past two weeks, the Yugoslav Trade Ministry sent numerous requests to the Purchasing Commission in Vienna for the immediate purchase of rolled iron, rolled plate, other rolled products, and industrial raw steel. Source believes that the accelerated Yugoslav purchasing in Austria is a result of the breaking off of Yugoslav commercial relations with Poland and Czechoslovakia.
2. The following purchases are now being arranged by the Yugoslav Purchasing Commission in Vienna (all purchases are in schillings, even where the dollar equivalents are given). Of a total of 3500 tons of rolled products requested by Belgrade, the Commission is arranging for the purchase of 1900 tons from Alpine-Montan* during the next three months at a cost of \$300,000. During the next five months, 1500 tons of industrial steel are to be purchased from Alpine-Montan, Boehler*, Schoeller-Blechmann A.G.*, and Steyr-Daimler-Puch* at a cost of \$1,500,000. The Commission is negotiating with Bahnbedarf A.G. and Simmering-Graz-Pauker A.G. for the purchase of a large quantity of railroad car axles, bumpers, and connecting links. The estimated cost is 6,000,000 schillings. The firm Alexander Friedmann-Kommandit-Gesellschaft is to sell 36 heating units for railway coaches at a cost of \$1,580 per unit. The Commission is now negotiating with Vienna commercial agents for the purchase of ball bearings, manufactured by the SKF and the Steyrwerke**, at an estimated cost of 1,000,000 schillings. The source notes that this is the first request for ball bearings which has been made in two months.
3. Gebus Lokomotiven u. Vertriebsgesellschaft has promised to deliver three 760 mm. gauge locomotives at \$30,000 each. The first locomotive is to be delivered in five months, the remaining two, six weeks later. Payment is to be made in schillings at the legal rate. About 6 July 1949, the Commission was requested to make a priority purchase of 2,000 tons of uncoated iron plate to be delivered to Yugoslavia by the end of September. The estimated cost is \$130,000.
4. The source reports a change in Yugoslav policy regarding payment of purchases in Austria. The current procedure is to export dollars to Vienna, where they are sold on the black market for schillings, which are used to pay for Austrian purchases. In June, \$100,000 was imported from Switzerland, sold for schillings, and used to pay Haselgruber.*** An additional \$130,000 is to be sent from Belgrade and Switzerland to pay for the uncoated iron plate mentioned in paragraph 3.

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The source interprets the sale of dollars for schillings as an indication that the Yugoslav Government anticipates a dollar loan from the U.S. in the near future.

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Oesterreichisch - Alpine Montangesellschaft

Böhler Gebr. & Co. Aktiengesellschaft

Schoeller-Bleckmann Stahlwerke A.G.

Steyr-Daimler-Puch A.G.

25X1A ** [] Comment: The Steyr-Daimler-Puch G.m.b.H. is probably meant.

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